Form (2)

Sr.No 1957

Dated 30-10-2006

Union of Myanmar Myanmar Investment Commission

The Myanmar Investment Commission

PERMIT

Permit No. 408 /2006 *Date* 10th OCTOBER 2006

The Myanmar Investment Commission issues this Permit under Section 10 of the Union of Myanmar Foreign Investment Law -

(a) Name of Promoter DIRECTOR GENERAL, ENERGY PLANNING DEPARTMENT

(b) Citizenship MYANMAR

(c) Address BUILDING NO.6, NAY PYI TAW

(d) Name and address of principal organization MINISTRY OF ENERGY, BUILDING NO.6, NAY PYI TAW

(e) Place of incorporation BRITISH VIRGIN ISLANDS

(f) Type of business in which investment is to be made CRUDE OIL AND NATURAL GAS EXPLORATION AND PRODUCTION

(g) Place (s) at which investment is permitted YETAGUN EAST BLOCK, TANINTHARYI OFFSHORE AREA

(h) Amount of foreign capital US $ 21.15 MILLION

(i) Period for bringing in foreign capital 2006 TO 2012

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US $ 21.15 MILLION

(k) Permitted duration of investment 5 YEARS AND 6 MONTHS

(l) Name of the economic organization to be formed in Myanmar ~~DANFORD EQUITIES CORPORATION~~ TWINZA OIL (ASIA) LIMITED

Amended as per resolution made by MIC at its meeting (31/2008) dated (3-10-2008)

Thuyain Zaw

(Col.Thuyain Zaw)

Secretary

U Myaung

Chairman

The Myanmar Investment Commission

ပြည်ထောင်စုမြန်မာနိုင်ငံတော် ★ မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်
စာအမှတ် ၁(၂) ၁၉၉၇
နေ့ ၃၀-၁၀-၂၀၀၆

မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၄၀၈/၂၀၀၆ ၂၀၀၆ ခုနှစ်၊ အောက်တိုဘာလ ၁၀ ရက်။

ပြည်ထောင်စုမြန်မာနိုင်ငံတော် နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေပုဒ်မ ၁၀ အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် –

(က) ကမကထပြုသူ၏အမည် ညွှန်ကြားရေးမှူးချုပ်၊ ရွှေမ်းအင်စီမံရေးဦးစီးဌာန

(ခ) မည်သည့်နိုင်ငံသား မြန်မာ

(ဂ) နေရပ်လိပ်စာ ရုံးအမှတ် (၆)၊ နေပြည်တော်

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ ရွှေမ်းအင်ဝန်ကြီးဌာန၊ ရုံးအမှတ် (၆) နေပြည်တော်

(င) ဖွဲ့စည်းရာအရပ် BRITISH VIRGIN ISLANDS

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား ရေနံ စိမ်း နှင့်သဘာဝဓါတ်ငွေ့ ရှာဖွေတူး ဖော်ခြင်း နှင့်ထုတ်လုပ်ခြင်း လုပ်ငန်း ။

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) YETAGUN EAST BLOCK, TANINTHARYI OFFSHORE AREA

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၁၂၀ . ၅၅ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ၂၀၀၆ ခုနှစ်မှ ၂၀၁၂ ခုနှစ်အထိ

(ည) စုစုပေါင်း မတည်ငွေရင်း ပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၁၂၀ . ၅၅ သန်း နှင့်ညီမျှသောမြန်မာကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့်သက်တမ်း ၅ နှစ် ၆ လ

(ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေးအဖွဲ့အစည်းအမည် ~~DANFORD EQUITIES CORPORATION~~ Twinza Oil (Asia) Limited

(၃-၁၀-၂၀၀၈) နေ့တွင်ကျင်းပပြုလုပ်သော မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်၏ (၃၁/၂၀၀၈) ကြိမ်မြောက် အစည်းအဝေးဆုံးဖြတ်ချက်အရ ပြင်ဆင်သည်။

(signature)

(ဗိုလ်မှူးကြီးသူရိန်ဇော်)
အတွင်းရေးမှူး

(signature)

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

UNION OF MYANMAR

MYANMAR INVESTMENT COMMISSION

Building No. (32), Nay Pyi Taw

Our ref: Yaka-7(Kha)/Na- 267/2008 (18503)
Dated: 2nd December, 2008

Tel: 067-406334, 406075
Fax: 95-67-406333

Subject: **Decision of the Myanmar Investment Commission for amendment of the name of the Company.**

Reference: Ministry of Energy Letter No. 008/670/Hta dated (7-10-2008)

1. The Myanmar Investment Commission, at its meeting (31/2008) held on (3-10-2008) had approved that the name of "Danford Equities" be changed to "Twinza Oil (Asia) Limited".

2. Hence, the name of the company is hereby amended as "Twinza Oil (Asia) Limited" accordingly on the Permit No.(408/2006) dated (10-10- 2006).

3. It is hereby notified that Twinza Oil (Asia) Limited shall have to abide by all terms and conditions stated in the Commission Letter No. Yaka-1/Na-396/2006(1957) dated (30-10-2006).

Thuyain Zaw
For Chairman
(Col. Thuyain Zaw, Secretary)

Managing Director
Myanma Oil and Gas Enterprise

CC: 1. Office of the Chairman of the State Peace and Development Council
2. Office of the State Peace and Development Council
3. Office of the Government of the Union of Myanmar
4. Ministry of National Planning and Economic Development
5. Ministry of Finance and Revenue
6. Ministry of Commerce
7. Ministry of Energy
8. Ministry of Foreign Affairs
9. Ministry of Home Affairs
10. Ministry of Immigration and Population
11. Ministry of Labour
12. Ministry of Electric Power No (2)
13. Chairman, Foreign Capital Evaluation Committee
14. Director General Directorate of Investment and Company Administration
15. Director General, Customs Department
16. Director General, Internal Revenue Department
17. Managing Director, Myanma Foreign Trade Bank
18. Managing Director, Myanma Investment and Commercial Bank
19. Managing Director, Myanma Insurance
20. Managing Director, Myanma Electric Power Enterprise
21. Director General, Directorate of Trade
22. Director General, Immigration and National Registration Department
23. Director General, Directorate of Labour
24. Chairman, Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)

GOVERNMENT OF THE UNION OF MYANMAR

MYANMAR INVESTMENT COMMISSION

Our ref : Ya Ka-1/Na-396 /2006(၁၉၄၇)
Dated : 30th October 2006.

Tel : 067-406334,406075
Fax : 95-67-406333

Subject : Decision of the Myanmar Investment Commission on the proposal for "Crude Oil and Natural Gas Exploration and Production" under the name of "Danford Equities Corporation"

Reference: Ministry of Energy, Letter No. 008/670/Hta dated(29.9.2006).

1. The Myanmar Investment Commission, at its meeting (35/2006) held on (13-10-2006) , had reviewed the proposal for investment in "Crude Oil and Natural Gas Exploration and Production" for Yetagun East Block, Tanintharyi offshore area under the name of Danford Equities Corporation (Australia)pursuant to the Production Sharing Contract to be signed between Myanma Oil and Gas Enterprise and Danford Equities Corporation (Australia). After careful review, it was deliberated that the proposed project be approved in principle for implementation and the proposal be submitted to the Cabinet meeting for final approval.

2. The Cabinet, at its meeting (38 /2006) held on (26-10-2006), resolved to permit the implementation of the said project. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Union of Myanmar Foreign Investment Law and Chapter VI, Rule 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be an initial term of 20 years, comprising 6(Six) months for study period and 3 (Three) years for the exploration period and 2 (Two) years for the extension of the exploration period.

4. Danford Equities Corporation shall pay royalty to the Government equal to 10(Ten) percent of the value of available Petroleum from the Contract Area.

5. Danford Equities Corporation pay a Data Fee to the amount of US$ 200,000 (United States Dollars Two Hundred Thousand Only) to Myanma Oil and Gas Enterprise within 30 days after signing of the contract.

6. Danford Equities Corporation shall pay to the amount of US$ 2,250,000 (United States Dollars Two Million and Two Hundred and Fifty Thousand Only) as Signature Bonus within 30 days after entering into the Exploration Period.

7. Production Split between Myanma Oil and Gas Enterprise and Danford Equities Corporation shall be allocated for Development and Production area as follow:-

Crude Oil

BOPD	MOGE(%)	CONTRACTOR(%)
0 – 25,000	60	40
25,001 – 50,000	65	35
50,001 – 100,000	80	20
100,001 – 150,000	85	15
Above 150,000	90	10

Natural Gas

MMCFD	MOGE(%)	CONTRACTOR(%)
up to 300	65	35
301 – 600	75	25
601 -900	85	15
Above 900	90	10

8. Danford Equities Corporation shall pay Production Bonus to Myanma Oil and Gas Enterprise with respect to each crude oil development and production area as follows:

Productution Bonus

Crude Oil

At BOPD

	US$(Million)
Upon approval of Development Plan	1.00
10,000	2.00
20,000	3.00
30,000	4.00
40,000	5.00
50,000	6.00
100,000	10.00
150,000	15.00

Natural Gas

At MMCFD	US$(Million)
Upon approval of Development Plan	1.00
60	1.00
120	1.50
180	2.00
240	3.00
300	4.00
600	5.00
900	10.00

9. After the commencement of commercial production of Crude Oil, Danford Equities Corporation shall fulfill as its obligation 20%(Twenty) percent of Crude Oil and 25% (Twenty Five) percent of Natural Gas toward the supply of the domestic Crude Oil market and Natural Gas market in Myanmar. Myanma Oil and Gas Enterprise shall pay the price equivalent of 90% (Ninety) percent of the Fair Market Value.

10. Danford Equities Corporation shall provide Training Fund to the amount of US$ 50,000(United States Dollars Fifty Thousand Only) per annum for Exploration Period

and US$ 100,000(United States Dollars One Hundred Thousand Only) per annum for Production Period shall also provide Research and Development Fund to the amount of 0.5% (Zero point Five) percent of its share of Profit Petroleum in favour of Myanma Oil and Gas Enterprise.

11. Danford Equities Corporation is liable to pay the Government the following tranches out of the net profit made on the sale or transfer of the shares in the Company.

(a)	If the amount of Net Profit is up to US$ 100 million (United States Dollars One Hundred Million)	40%
(b)	If the amount of Net Profit is between US$ 100 million(United States Dollars One Hundred Million Only) and US$ 150 million (United States Dollars One Hundred and Fifty Million Only)	45%
(c)	If the amount of Net Profit is over US$ 150 million (United States Dollars One Hundred and Fifty Million)	50%

12. In issuing this "Permit", the Commission has granted the following exemptions and reliefs:

(a) As per Section – 21(e), Danford Equities Corporation shall have the right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed for the project.

(b) As per Section – 21(f), the Commission has also approved the right to pay income tax on the income of the above- mentioned foreigners at the rates applicable to the citizens residing within the country.

(c) As per Section-21(i) and (j), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which they are imported as they are actually required, and also on such raw materials imported during the period of exploration.

13. Danford Equities Corporation shall have to sign the Production Sharing Contract with Myanma Oil and Gas Enterprise. After signing such Agreement, (5) copies each of those shall have to be forwarded to the Commission.

14. Danford Equities Corporation in consultation with the Department of Company Administration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incoporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

15. Danford Equities Corporation shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

16. The official date of operation shall be reported to the Commission.

17. Danford Equities Corporation shall endeavour to meet the targets for Exploration and Productuion of Petroleum stated in the proposal as the minimum target.

18. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal. Danford Equities Corporation shall have to consult with Directorate of Labour, Ministry of Labour for appointment of such foreign experts and technicians.

19. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provision under Section-24 of the Unoin of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened;

(b) the detailed lists of the type and value of foreign capital defined under Section-2(h) of the said Law, other than foreign currency, to the Chairman, Foreign Capital Evaluation Committee.

20. Whenever Danford Equities Corporation brings in foreign capital defined under Section-2(h) of the said Law, other than foreign currency in the manner stated in paragraph 19(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity,quality and price of imported materials shall have to be attached.

21. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No.Na-Ya 9/101/92(416) dated 3-12-92 [Annexure (1)]

22. Danford Equities Corporation shall report to the Commission of any alteration in the physical and financial plan of the project. Cost over run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

23. Danford Equities Corporation shall be responsible for the preseveration of the environment at and around the area of the project site. Hence,it shall observe the directive issued by the Commission vide letter No.Ya Ka-1/139/94(0440)dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

24. Payment of principal and interest of the loan(if any)as well as payment for import of raw materials and spare parts etc. shall only be made out of the official foreign exchange earnings of Danford Equities Corporation.

25. Danford Equities Corporation in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Rule 15 of the Procedures relating to the Union of Myanmar Foreign Investment Law.

(U Thaung)
Chairman

Managing Director
Myanma Oil and Gas Enterprise.

cc:
1. Office of the Chairman of State Peace and Development Council
2. Office of the State Peace and Development Council
3. Office of the Government of the Union of Myanmar
4. Ministry of National Planning and Economic Development
5. Ministry of Finance and Revenue
6. Ministry of Commerce
7. Ministry of Energy
8. Ministry of Foreign Affairs
9. Ministry of Home Affairs
10. Ministry of Immigration and Population
11. Ministry of Labour
12. Ministry of Electric Power (2)
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